

Alliance for Public Technology

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December 17, 1997

Mr. William A. Caton
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Ex Parte CC Docket No. 97-208

Dear Secretary Caton:

This morning I mailed the attached letter to Commissioner Gloria Tristani thanking her for meeting with my colleagues and me on Monday, December 8, 1997. The purpose of the meeting with Commissioner Tristani and her advisor, Paul Gallant, was to discuss BellSouth's application to offer long distance service in South Carolina. At the meeting, Sylvia Rosenthal and I represented the Alliance for Public Technology (APT), Albert Clark represented the United Homeowners Association, Tomasa Gonzalez represented the National Hispanic Council on Aging, and Angela Ledford represented Keep America Connected.

In addition, I sent to Mr. James Casserly, Senior Advisor to Commissioner Susan Ness, the enclosed letter dated December 16, 1997 expressing appreciation for a meeting with him on December 10, 1997. Sylvia Rosenthal and I, Albert Clark, and Vanessa Thompson of the National Association of Commissions for Women attended the meeting to discuss BellSouth's request to provide in South Carolina.

Finally, on Monday, December 15, 1997, I wrote to Kyle Dixon of Commissioner Michael Powell's staff thanking him for a meeting on December 10, 1997. The same delegation that met with Mr. Casserly met with Mr. Dixon, with the addition of Angela Ledford. BellSouth's South Carolina application was the topic of the

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meeting. The letter to Mr. Dixon also included a copy of a letter dated August 4, 1997 from APT to former Chairman Reid Hundt recommending ways of promoting the goals of Section 706 of the Telecommunications Act of 1996.

Thank you for including the enclosed correspondence in the public record.

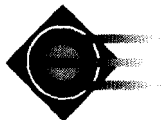
Sincerely,

A handwritten signature in black ink, reading "Maureen A. Lewis". The signature is written in a cursive, flowing style.

Maureen A. Lewis
General Counsel

MAL:ml

Enclosures



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December 17, 1997

The Honorable Gloria Tristani
Federal Communications Commission
1919 M Street, N.W., Room 826
Washington, DC 20554

Dear Commissioner Tristani:

Thank you for meeting with my colleagues and me on Monday, December 8, 1997 to discuss BellSouth's application to provide in-region long distance service. We appreciate your consideration and hope that you will give great weight to the South Carolina Public Utility Commission's determination that BellSouth has complied with the requirements of the 14-point checklist.

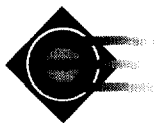
I hope you enjoyed the Chairman's Dinner, which the Federal Communications Bar Association hosted last Thursday. After years of hearing about it, I am glad finally to have attended the dinner. It was a wonderful evening.

I look forward to working with you and your staff in the coming year. Best wishes to you and your family for a happy and restful holiday.

Sincerely,

Maureen A. Lewis
General Counsel

MAL:ml



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December 16, 1997

Mr. James L. Casserly
Senior Legal Advisor
Office of Commissioner Susan Ness
Federal Communications Commission
1919 M Street, N.W., Room 832
Washington, DC 20554

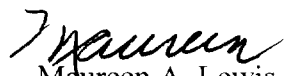
Dear Jim:

Thank you for meeting with my colleagues and me on Wednesday, December 10, 1997 to discuss BellSouth's application to provide in-region long distance service. We appreciate your consideration and hope that you will encourage Commissioner Ness to give great weight to the South Carolina Public Utility Commission's determination that BellSouth has complied with the requirements of the 14-point checklist.

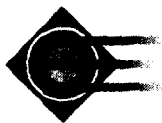
I enjoyed the "Developments in Long Distance Competition" panel at last week's Telecommunications Policy and Regulation Conference, but was unable to reach you afterwards to tell you so. It was interesting to hear the panelists' diverging views and to see the tension between some members of the group.

I look forward to working with you and Commissioner Ness in the coming year. Have a happy and restful holiday.

Sincerely,


Maureen A. Lewis
General Counsel

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December 15, 1997

Mr. Kyle D. Dixon
Legal Advisor
Office of Commissioner Michael K. Powell
Federal Communications Commission
1919 M Street, N.W., Room 844
Washington, DC 20554


Dear Kyle:

Thank you for meeting with my colleagues and me on Wednesday, December 10, 1997 to discuss BellSouth's application to provide in-region long distance service. We appreciate your consideration.

During the meeting, we promised to provide you with a copy of a letter the Alliance for Public Technology submitted to former Chairman Reid Hundt on August 4, 1997. Consequently, I am enclosing the letter, which provides specific recommendations for promoting the goals of Section 706 of the Telecommunications Act of 1996. I hope you find this information useful. Please let me know if I can answer any questions or provide other materials.

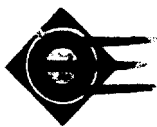
I wish you a happy and restful holiday and great success in the coming year.

Sincerely,


Maureen A. Lewis
General Counsel

Enclosure

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August 4, 1997

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The Honorable Reed Hundt
Chairman

Federal Communications Commission
1919 M Street, NW, Room 814
Washington, DC 20554

Dear Chairman Hundt:

Your decision to initiate a review of competition in the local telephone market presents an important opportunity to look at how the Commission can better work to achieve the goals of Section 706 of the Telecommunications Act of 1996. Section 706 requires that the Commission act to promote the widespread deployment of advanced telecommunications services to all Americans.

The Alliance for Public Technology (APT) believes that appropriate incentives are needed to enhance competition, meet the goals of Section 706, and encourage the development of new services for all consumers, including those in marginalized communities at risk of being bypassed by the information age. We have been disappointed that the Commission has not yet begun to launch a Section 706 proceeding, an issue we are addressing separately in other correspondence with the Commission. Here we focus on how the competitive review process can make a significant contribution to framing and resolving Section 706 issues.

Reports suggest that the scope of the competition review will be rather narrow, focusing on what incumbent local exchange carriers (ILECs) and state public utility commissions are doing, or not doing, to open local markets to competition. APT suggests that the review include an assessment of the business strategies of companies seeking to enter new markets and whether or not the "competition" they are planning to offer will promote the goals of Section 706 and the development of new innovative services for consumers.

We are particularly concerned by reports that the competitive local exchange carriers (CLECs) may be developing plans to serve aggressively the business market and are less likely to offer service to most residential customers. For example, The Washington Post recently reported that British Telecom, which is poised to acquire MCI, is considering "focusing more narrowly on the most profitable business customers."¹ This strategy leaves residential and many business customers, particularly small businesses, out in the cold.

More importantly, it raises significant issues for the Commission to address in the context of Section 706. The promise of the 1996 Act rests in the development of robust, meaningful competition in all telecommunications markets. Competition is the driver, the results of which are more choices, advanced services, and affordable prices for all consumers. Competition can create the incentive for ILECs and CLECs to offer new and advanced services to residential customers. But if competition develops unevenly, many consumers will not enjoy the benefits of the competition.

APT has long advocated the benefits of telecommunications to make a maximum contribution to efficiencies and improved productivity and to the quality of life in crucial areas like education, health care, telecommuting and the democratic process. This in turn calls for the accelerated provision of advanced telecommunications capability to all Americans as mandated by Section 706.

As a practical matter, companies will advance product and network development and deployment strategies that, in part, meet the competition. If, for example, MCI's local competition strategy unfolds as noted in The Washington Post story, we would expect the ILECs to invest their resources to meet an aggressive and highly focused market challenge. Competitors will invest in network and service upgrades necessary to offer the most advanced telecommunications capabilities to high-volume business users. But businesses not in the downtown core and residential customers, too, need access to new and advanced services and capabilities to enjoy the full benefits of the information age.

Therefore, as part of the competition review, APT urges the Commission to include an assessment of new service and network deployment strategies of ILECs and CLECs to determine to what extent they include reaching rural, low income and other residential areas. The Commission should not only handle complaints against the ILECs and CLECs. It should also begin looking at developing appropriate incentives to encourage both ILECs and CLECs to compete for all customers and thus invest in new services and infrastructure to serve all consumers.

¹ Mike Mills, "British Telecom to Review MCI Strategy," The Washington Post, July 17, 1997, C1.

The competition review which the Commission has initiated can be a productive and meaningful exercise, if the Commission looks at how competition will, or will not, meet the goals of Section 706 and what additional incentives, if any, are needed to achieve our vision of an advanced network that serves the needs of all consumers.

Sincerely,



Dr. Barbara O'Connor
Chair



Gerald Depo
President

cc: Commissioner James H. Quello
Commissioner Rachelle B. Chong
Commissioner Susan Ness
Regina M. Keeney, Chief, Common Carrier Bureau
William E. Kennard, General Counsel